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CENTRAL INTELLIGENCE BULLETIN

CURRENT INTELLIGENCE RELATING TO NATIONAL SECURITY

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31 December 1964

CENTRAL INTELLIGENCE BULLETIN

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*Communist China: Premier Chou En-lai's yearend report on the state of the nation boasted about Peiping's growing influence and power abroad, but was cautious in its discussion of China's economic situation.

Chou claimed that China's foreign policy has scored new successes in achieving international recognition. He called for greater unity against imperialism, and reiterated earlier warnings that Peiping will "absolutely not stand idly by" if the US enlarges the war in Indochina. Chou predicted more disastrous defeats for the US in Indochina and added that the US is being "knocked about everywhere."

Chou said Taiwan is the basic problem in Sino-US relations and that until the US withdraws its forces, settlement of other matters is 'out of the question.' He rejected any form of 'two Chinas' solution in the UN and asserted that until Peiping's 'legitimate rights' were entirely restored China would have nothing to do with the international body.

Although he made a pro forma reference to China's desire for better relations with the USSR, Chou continued the oblique attacks which have marked the Sino-Soviet conflict since the fall of Khrushchev.

His remarks concerning the 'great significance' of Mao Tse-tung's statements on international questions during recent years are a new and sweeping claim to Chinese leadership of world revolutionary forces.

Referring once again to the "perfidious" 1960 cut off in Soviet aid, Chou declared that China will never

depend on others for help. He asserted proudly that Peiping will entirely repay its remaining debt to the Soviet Union out of the favorable balance in 1964 trade with the USSR.

Chou's statement on the economy was the most detailed since Peiping instituted a blackout on economic information in 1960. While his report reflected relief at pulling through the disaster years of 1959-61 and satisfaction at improvements since then, there was no call for stepping up the pace of the economy's slow, steady recovery.

Chou admitted that readjustment of the economy-	-a				
euphemism for economic recoverywas unfinished, a	and				
would have to continue in 1965. Preparations are to b	e e				
made in the coming year for launching a Third Five-Y	Zear				
Plan in 1966, three years behind schedule. Current					
planning remains on an annual basis, with 1965 goals					
surprisingly modest.					

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Nigeria: A major showdown appears to be at hand between Nigeria's traditionally antagonistic regional and ethnic forces.

Muslim leaders of the more populous north have dominated Nigeria's government since independence in 1960. The Christian and pagan southern tribes have achieved influence only through uneasy alliances with the north. In preparation for yesterday's parliamentary elections, these regional forces polarized into opposing national political coalitions.

The predominantly southern grouping, called the United Progressive Grand Alliance (UPGA), apparently concluded last week that it could not hope to win enough seats to control the government. The UPGA charged that its candidates had been illegally prevented from filing nomination petitions in the north, thus permitting 66 candidates of the rival coalition to be elected automatically.

On 24 December the UPGA formally asked President Azikiwe to defer the balloting for at least a month and to appoint a provisional government, then indicated it would not recognize the validity of the results, and finally ordered a boycott of the elections. Allied labor elements now have called for a general strike.

The increasingly partisan behavior of Azikiwe, a southerner and the country's foremost nationalist hero, has compounded the crisis. Although his overriding concern has long been preservation of Nigerian unity, on 28 December he evidently aligned himself with the UPGA effort to force postponement of the voting.

The northerners should be able to maintain the machinery of government for the time being, but the

risis seems likely to be protracted and embittered.	ř
t could culminate eventually in the breakup of the	
ederation, although at this point there is no hard evi-	-
lence to support northern charges that the southern	
region controlled by Azikiwe's old party is planning to)
secede.	

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India: New Delhi's nationwide crackdown yesterday on the radical "left" Communist Party was apparently designed to eliminate the leftists from contention in the elections scheduled for the southern state of Kerala on 15 February.

Most of the politburo of the "left" Communists, who probably constitute the strongest single party in the state, were arrested while meeting to devise election strategy and electoral agreements with other anti-Congress parties.

Since the locally fragmented Congress Party has no hope of winning, New Delhi apparently hopes by its actions to ensure that the elections will be inconclusive and President's Rule from New Delhi can be continued.

This tactic may be	ackfire. Alth	ough these arrests
will disrupt the leftists	s organization	ally, it is also pos-
sible that a ground swe	ell of sentime	nt hostile to the
Congress Party and fa	vorable to the	e ''left'' Communist
Party will result.		

NOTE

Laos: The Communists are again moving truck traffic through eastern Laos toward the Muong Phine - Tchepone area. A roadwatch team positioned on Route 23 about 35 miles northwest of Tchepone reported that southbound trucks were heard "continuously moving" between 1900 and 2400 hours the evenings of 23-26 December? This segment of Route 23, a key supply artery for Communist forces operating in southern Laos and possibly South Vietnam, had been impassable to vehicles since the onset of the rainy monsoon late last spring.

See Insect

(Map)

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Frucks were reportedly moving continuously southbound on Route 23 about 35 miles northwest of Tchepone several hours nightly from 23-26 December.

Insect

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The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

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Chief of Staff, United States Air Force

Chief of Staff, United States Army

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Supreme Allied Commander, Europe

Commander in Chief, Pacific

Commander in Chief, Atlantic

The Director, Defense Intelligence Agency

The Director, The Joint Staff

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The Director of Naval Intelligence, Department of Navy

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